

## NEWS RELEASE

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## FOR IMMEDIATE RELEASE

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**HOW WILL NATIONAL ECONOMIC SLOWDOWN AND HOUSING PROBLEMS  
AFFECT HOUSTON?  
UH ECONOMIST BARTON SMITH EXAMINES THE ISSUES AT UPCOMING SYMPOSIUM**

After last year's stellar economic performance, can Houston maintain that same pace, even as the U.S. housing market correction drags the national economy down?

Barton Smith, director of the Institute for Regional Forecasting at the University of Houston, will consider that question in his symposium *Houston's Twin Booms: Energy & Housing – Will They Continue for Another Year?* at the Hyatt Regency Hotel, 1200 Louisiana, Tuesday, May 8. The event is sold out.

"Today, everyone seems to recognize the seriousness of the subprime lending debacle that we warned about last year," Smith says, "but there remains a lack of consensus regarding the duration of this housing market correction." Smith argues that the problems within the nation's housing market are far from over. At the symposium, he will provide data indicating the national housing market as a whole suffers from three maladies: excessive prices, overbuilding and foreclosures, though Houston's home market is only really troubled by the high number of foreclosures that stem largely out of subprime lending in the past. "Houston prices," he says, "remain far below the national average and local housing affordability is far higher here than in most other large urban areas."

Smith will point out how important the boom in the region's upstream energy economy has been to the area's overall economic health and will examine whether that boom will continue to sustain Houston this year, despite the worsening national economic slowdown. His slide presentation will also remind Houstonians that energy booms typically don't last more than a few years and that without help from non-energy growth (which will be negatively affected by the national slowdown) the burden of single-handedly keeping the Houston boom alive may be more than the energy economy will be able to deliver during the next 12 months.

Other topics to be covered include the boom in the suburbs and the surprising strength in commercial real estate. Smith believes most commercial real estate markets in Houston look relatively healthy. However, the developers of apartment complexes failed to heed last year's warning not to be fooled by the market's temporary fix from Katrina/Rita evacuees. "At the current rate of new building, we are likely to be swamped again with too many unfilled apartment units. The only hope for this market is that the reduction in subprime lending will reduce the flow of households from the rental market to the owner market," he says.

Prior to his presentation, Smith will be available for media interviews from 10:30 to 11:15 a.m.

**WHAT:** *Houston's Twin Booms: Energy & Housing – Will They Continue for Another Year?*

**WHO:** Barton Smith, UH professor of economics and director of the UH Institute for Regional Forecasting

**WHEN:** Tuesday, May 8  
Media availability: 10:30 to 11:15 a.m.  
Luncheon: 11:45 a.m. to 12:20 p.m.  
Presentation: 12:20 to 1:30 p.m.

**WHERE:** Imperial Ballroom, Hyatt Regency Hotel Downtown, 1200 Louisiana

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